

Environment Portfolio Budget Monitoring Summary

2012/13 Actuals £'000	Division Service Areas	2013/14 Original Budget £'000	2013/14 Latest Approved £'000	2013/14 Projected Outturn £'000	Variation £'000	Notes	Variation Last Reported £'000	Full Year Effect £'000
(6,470)	Customer & Support Services							
0	Parking	Cr 6,645	Cr 6,084	(6,229)	Cr 145	1 - 4	Cr 112	0
1,359	Net loss of income from Westmoreland Rd	0	0	0	0	5	546	0
	Support Services	1,225	1,239	1,239	0		0	0
(5,111)		Cr 5,420	Cr 4,845	(4,990)	(145)		434	0
104	Public Protection - ES							
	Emergency Planning	71	74	74	0		0	0
104		71	74	74	0		0	0
4,440	Street Scene & Green Space					5		
2,428	Area Management/Street Cleansing	4,426	4,053	4,068	15	6		0
(36)	Highways	2,367	2,743	2,788	45	7	Cr 10	0
6,007	Markets	Cr 33	1	Cr 15	Cr 16	8	Cr 16	0
582	Parks and Green Space	6,026	6,074	6,099	25	9	Cr 35	0
16,182	Street Regulation	485	456	479	23	10	15	0
	Waste Services	16,639	16,775	16,922	147	11	257	330
	Management action to meet FYE							Cr 330
29,603		29,910	30,102	30,341	239		211	0
6,622	Transport & Highways							
167	Highways incl London Permit Scheme	6,118	6,576	6,611	35	12	55	300
303	Highways Planning	135	135	135	0		0	0
	Traffic & Road Safety	167	188	168	Cr 20	13	Cr 20	0
	Management action to meet FYE							Cr 300
7,092		6,420	6,899	6,914	15		35	0
31,688	TOTAL CONTROLLABLE	30,981	32,230	32,339	109		680	0
7,561	TOTAL NON-CONTROLLABLE	7,983	8,024	8,030	6	14	Cr 10	0
2,321	TOTAL EXCLUDED RECHARGES	2,022	1,943	1,943	0		0	0
41,570	PORTFOLIO TOTAL	40,986	42,197	42,312	115		670	0

Reconciliation of Final Budget

£'000

Original budget 2013/14

40,986

Repairs and Maintenance carry forward from 2012/13	41
Allocation of Localisation & Conditions Pay Awards	83
Net loss of income from proposed sale of car parks	546
Centralisation of training budgets	Cr 3
Budget transfer within ECS Department	2
Parking Fund transfer	18
Lead Local Flood Authorities	220
Drawdown of central contingency funds re increased fuel costs	164
Detritus / Leafing - additional street cleansing costs	140
Latest Approved Budget for 2013/14	42,197

REASONS FOR VARIATIONS**1. Income from Bus Lane Contraventions Dr £40k**

Based on the latest activity data, a decrease in income of around £40k is projected for 2013-14 due to a reduction in the number of contraventions. It should be noted that, due to the introduction of the new parking ICT system, not all the activity reports were available during December. It is expected that the reports will be available in January to carry out a more detailed analysis and any major variances will be reported in February.

2. Off Street Car Parking Cr £22k

After an adjustment for the Westmoreland Road Car Park budget, the net shortfall in off street parking income is projected to be £47k. This is broken down as follows: a shortfall is projected at The Hill Dr £65k and the Civic Centre Dr £10k partly offset by additional income expected at Village Way Cr £18k and Other Surface car parks Cr £10k. Compared to the same period in 2012/13, income for off street parking is up by around £56k, however this increase can be attributed to the price increase which came in at the end of April 2012.

Other variations include business rate adjustments of Cr £30k, a projected underspend for parking contract payments (Cr £30k) and a small variance of Cr £9k for car park maintenance.

Summary of variations within Off Street Car Parking	£'000
Off Street Car Parking income - multi-storey car parks	57
Off Street Car Parking income - other surface car parks	Cr 10
Business rate adjustments/rebate	Cr 30
Projected underspend on R&M at multi-storey car parks	Cr 9
Underspend on contract payments	Cr 30
Total variations within Off Street Parking	Cr 22

3. On Street Car Parking Cr £20k

An income deficit of £52k is projected within Bromley Town Centre Inner zones. This is offset by additional projected income in the outer Bromley zone of Cr £35k and within Petts Wood, Beckenham and Orpington Cr 17k. It should be noted that when compared to the same period in 2012/13 income is up by around £50k, which again, can be attributed to the price increase.

Other minor variations within running expenses including equipment and contract payments, total Cr £20k.

Summary of variations within On Street Car Parking	£'000
Income from Bromley Town Centre Inner zones	52
Income from Bromley Town Centre Outer zones	Cr 35
Income from Petts Wood, Beckenham & Orpington	Cr 17
Underspend on running expenses	Cr 20
Total variations within On Street Car Parking	Cr 20

4. Car Parking Enforcement Cr £143k

Based on activity levels up to November 2013, there is a projected net surplus of £150k from PCNs issued by Vinci due to an increase in contraventions. Additional income has been received for PCN contraventions in 2012/13 totalling £30k. It should be noted that due to the introduction of the new parking ICT system, not all the activity reports were available during December. It is expected that the reports will be available in January to carry out a more detailed analysis and any major variances will be reported in February.

Several sets of the enforcement hand held equipment have had to be replaced at a cost of £50k and there is a small variation of Cr £3k on the enforcement contract costs.

There is a projected net surplus of around Cr £10k for mobile and static cameras due to a small net increase in contraventions during 2013/14.

Summary of variations within Car Parking Enforcement	£'000
PCNs issued by wardens	Cr 180
Handheld enforcement equipment replacement	50
PCNs issued by mobile & static cameras	Cr 10
Variation in contract costs	Cr 3
Total variations within Car Parking Enforcement	<u>Cr 143</u>

Summary of overall variations within Parking:	£'000
Bus Routes Enforcement	40
Off Street Car Parking income	Cr 22
On Street Car Parking income	Cr 20
Car Parking Enforcement	Cr 143
Total variation for Parking	<u>Cr 145</u>

5. Street Scene & Green Space salaries (division-wide) £0k

Delays in implementing management staff savings of £60k have resulted in only a part year effect (Cr £15k) being achieved. Other one-off savings from management action have been identified totalling £45k in order to balance the budget.

6. Area Management & Street Cleansing Dr £15k

The FPN littering offence scheme is projecting a net deficit of £32k. This has arisen where the income recovery rate as of writing, has fallen to around 40% in recent months, and therefore costs exceed income collected. It is anticipated that following contractor changes and payment arrangements from January 2014, the scheme will break-even and there will be no further deficit. This will continue to be monitored as closely as any increased deficit will require compensating savings to be identified elsewhere.

Minor variations across other budgets have resulted in a projected underspend of £17k which is partly offsets the deficit above.

7. Highways SS&GS Dr £45k

A small surplus in income is projected from skip licences and street traders' licences totalling £15k, which is contributing to balancing the divisional budget.

As a result of the stormy weather experienced at the end of October, there is a projected overspend within the tree maintenance budget of £60k. This is the result of general damage caused across the borough where trees have had to be cut and removed from highways. It should be noted that following the stormy weather that occurred over the Christmas period, this overspend is likely to increase significantly.

Summary of variations - Highways SS&GS	£'000
Surplus income from skip licences	Cr 5
Surplus income from street traders' licences	Cr 10
Overspend on tree maintenance	60
Total variations - Highways SS&GS	<u>45</u>

8. Markets Cr £16k

There is a projected income surplus of £10k due to higher customer activity than previously anticipated. Additionally, there is a planned underspend of £6k within the equipment budget, resulting in a net underspend across the service of £16k. This is being used to balance the overall divisional budget.

9. Parks & Greenspace Dr £25k

There is a projected net underspend across salary budgets of £18k. This is largely attributable to maternity leave, with no subsequent back-filling within the Park Ranger service. There is also a planned underspend within the Grounds Maintenance other hired & contracted services budget of £17k in order to help balance the divisional budget overall.

As a result of the stormy weather experienced at the end of October, there is a projected overspend within tree maintenance of £60k. This has largely been incurred where a number of fallen trees have had to be removed from residential properties in the Riverside gardens area of the borough. Significant additional spend is expected due to the stormy weather that occurred during the Christmas period.

Within the electricity budget, there is a projected overspend of £14k. Unit prices have risen on average by 7.5% for 2013-14 compared to 2012-13. The full-year effect of this increased cost is projected to be £30k. A request will be made to the Executive to draw down funds allocated for fuel cost increases from the central contingency, both for 2013-14 and 2014-15.

10. Street Regulation Dr £23k

Within Street Regulation, staff savings as a result of the baseline review process of £47k were built into the 2013-14 budget. Due to delays in implementing the review, part year savings of Management action has been taken not to backfill a secondment to Education, Care & Health services (Cr £12k), in order to contribute to the deficit. The full £47k saving will be achieved from April 2014. In addition, there are other minor variations totalling Dr £12k.

There is a projected net overspend across other budget lines of £8k. This comprises of £5k within car allowances and a net £3k elsewhere.

Summary of variations - within Street Regulation	£'000
Delay in achieving staff savings	23
Management action	Cr 12
Other minor variations	12
Total variations - Street Regulation	<u>23</u>

11. Waste Services Dr £147k

There is currently projected to be a net overspend for waste disposal of £70k. Actual tonnage is 500 tonnes above budget for the first eight months of the year, and it is anticipated that there will be a year-end variation for 2013-14 of 900 tonnes. However, if the trend of the last two months continues where tonnage has been approximately 250 tonnes above budget, the year-end variation could be as high as 1,500 tonnes. This would result in an overspend of £140k.

The additional tonnage variation comprises of 500 tonnes relating to detritus, and 500 from residents.

Due to legislative changes, detritus and leafing collected from street cleansing can no longer be composted. Veolia have offered to dispose of this tonnage at a price of £84 per tonne instead of landfilling it at a cost of £131. This tonnage used to be disposed of by composting at a cost of £44 per tonne. The change in legislation has meant that the Council has had to incur additional disposal costs in 2013/14 of £140k, relating to 2,900 tonnes of detritus plus 600 tonnes of leafing. It should be noted that the detritus tonnage is currently in line with tonnages received for 2011/12 and 2010/11, which is 700 tonnes above the 2012/13 tonnage, which is what the 2013/14 disposal tonnage budget was based on.

Officers have attempted to contain this cost, however, given the other budget pressures within the waste service, this has not been possible. It is therefore proposed to request the Executive to agree to allow a drawdown of £140k from central finances.

Within trade waste collection income, there is a net projected deficit of £40k. Prices were increased by 4.2% from 1st April 2013 with minimal expectation for a dropout of customers. Around 3% of commercial customers have withdrawn from the service.

Within trade waste delivered income, there is a projected surplus of £45k, due to increased activity from builders and other tradesmen bringing waste to the depots.

There is a projected deficit from paper recycling income of £120k due to reduced tonnages currently being collected from households. It is likely that this trend will continue into future years.

Income from textile collections is projected to generate a surplus of £10k due to increased projected tonnages from previously expected. However, there is a projected deficit within clinical waste income of £10k due to a lower customers volumes than previously anticipated.

Within the 2013-14 budget setting process, staff savings of £50k relating to two site supervisor posts were incorporated. The net effect of delays in implementing the changes, which are currently expected to be effective from 1st February as well as holding a post vacant for part of the year, is a projected deficit of £22k. The full £50k saving is expected to be delivered from April 2014.

Additionally, there is an anticipated underspend within the Coney Hill budget of £20k in expectation that sums set aside for replacement equipment and other non-routine items will not be required.

There is also a projected net underspend across various other budgets totalling Cr £40k.

The full-year effect of the deficit relating to disposal tonnages, detritus, leafing, paper income, and trade waste collection income is likely to be around £330k. Of this, there is an amount of £200k has been allocated from centrally held funds as a growth item. The remaining balance of £130k has been met from within existing Street Scene & Green Space budgets.

Summary of variations within Waste Services	£'000
Waste disposal tonnages	70
Trade waste collection income	40
Trade waste delivered income	Cr 45
Paper recycling income	120
Staffing	22
Coney Hill	Cr 20
Equipment, collection contract & car allowances	Cr 40
Total variation for Waste Services	<u>147</u>

12. Highways (Incl London Permit Scheme) Dr £35k

There is a projected net deficit across all areas of NR&SWA income of £65k, mainly as a result of falling volumes of sample inspections and fewer defect notices being issued.

There is a projected underspend within staffing budgets of £30k. This is due to a combination of not recruiting to a vacant post, and delays in appointing to other posts.

Within the street lighting electricity budget, there is a projected overspend of £150k. Unit prices have risen on average by 7.5% for 2013-14 compared to 2012-13. The full-year effect of this increased cost is projected to be £280k. A request will be made to the Executive to draw down funds allocated for fuel cost increases from the central contingency, both for 2013-14 and 2014-15.

The full year-effect within NRSWA income is a projected deficit of around £300k. This has already been met from within T&H budgets as part of the 2014-15 budget setting process work that has been undertaken.

Summary of variations within Transport & Highways	£'000
Deficit in NRSWA income	65
Salary underspend	Cr 30
Electricity overspend	150
Electricity overspend met by drawdown from central contingency	Cr 150
Total variation for Waste Services	<u>35</u>

13. Traffic & Road Safety Cr £20k

There is a projected underspend across traffic & road safety salary budgets of £20k. This is due to maternity leave and not backfilling a short-term secondment to Education, Care & Health services.

15. Non-controllable budgets Dr £6k

For information, the variation relates to a net deficit within property rental income across the Environment portfolio. Property division are accountable for these variations.

Waiver of Financial Regulations

The Council's Contract Procedure Rules state that where the value of a contract exceeds £50k and is to be exempted the normal requirement to obtain competitive quotations, the Chief Officer has to obtain the agreement of the Director of Resources and Finance Director and (where over £100,000) approval of the Portfolio Holder, and report use of this exemption to Audit Sub committee bi-annually. Since the last report to the Executive no waivers have been approved.

Virements Approved to date under Director's Delegated Powers

Details of virements actioned by Chief Officers under delegated authority under the Financial Regulations "Scheme of Virement" will be included in financial monitoring reports to the Portfolio Holder. Since the last report to Executive no virements have been actioned.

Analysis of Members' Initiatives - Earmarked Reserves @ 30.11.13

Item	Divison / Service Area	Responsible Officer	Allocation £'000	Spend To Date £'000	Commitments £'000	Total Spend & Commitments £'000	Balance Available £'000	Comments on Progress of Scheme
Footways, Highways & General Improvements	T&H - Highways	Garry Warner	750	750	0	750	0	Scheme completed.
Support for Friends Groups	SS&GS - Parks & Green Space	Louise Simpson	250	0	2	2	248	£2k to be allocated for trees. Other works/projects have been considered but nothing advanced at this stage. Balance expected to be spent during 2014/15.
Renewal / Replacement of Community Recycling Sites	SS&GS - Waste	John Woodruff	150	150	0	150	0	Scheme completed.
TOTAL			1,150	900	2	902	248	